

STATE OF COLORADO

DEPARTMENT OF REVENUE
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John W. Hickenlooper
Governor

Colorado Department of Revenue Marijuana Enforcement Division

Barbara J. Brohl
Executive Director

Emergency Rules:

Revised Rules, Medical Marijuana, 1 CCR 212-1

Rule M 207 – Schedule of Application Fees: Medical Marijuana Businesses

Rule M 208 – Schedule of Business License Fees: Medical Marijuana Businesses

Rule M 209 – Schedule of Business Renewal Fees: Medical Marijuana Businesses

Rule M 210 – Schedule of Licensing Administrative Service Fees: All Licensees

Revised Rules, Retail Marijuana, 1 CCR 212-2

Rule R 207 – Schedule of Application Fees: Retail Marijuana Establishments

Rule R 208 – Schedule of Business License Fees: Retail Marijuana Establishments

Rule R 209 – Schedule of Business License Renewal Fees: Retail Marijuana Establishments

Rule R 210 – Schedule of Administrative Service Fees: All Licenses

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103, 12-43.3-202, and 12-43.4-202, C.R.S, I, Barbara J. Brohl, Executive Director of the Department of Revenue and State Licensing Authority, hereby adopt the aforementioned revised Medical Marijuana and Retail Marijuana Rules, which are attached hereto.

Section 24-4-103(6), C.R.S., authorizes the State Licensing Authority to issue an emergency rule if the State Licensing Authority finds that the immediate adoption of the rule is imperatively necessary to comply with a state law or for the preservation of public health, safety, or welfare and compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

I find: (1) the immediate adoption of these revised rules is necessary to comply with the statutory mandates of the Medical Code, sections 12-43.3-101 *et seq.*, C.R.S., and the Retail Code, sections 12-43.4-101 *et seq.*, C.R.S.; (2) the immediate adoption of these revised rules is necessary to preserve the public health, safety, and welfare; and (3) compliance with the notice and public hearing requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

Statutory Authority

The statutory authority for the Medical Marijuana Rules is found at subsections 12-43.3-202(1)(b)(I), 12-43.3-202(1)(e), 12-43.3-202(2)(a)(XVI), 12-43.3-202(2)(a)(XVIII.5), 12-43.3-202(2)(a)(XX), 12-43.3-

302(5)(c), and 12-43.3-401(1)(c.5), C.R.S., and sections, 12-43.3-310, 12-43.3-501, 12-43.3-502, 12-43.3-1101, and 12-43.3-1102, C.R.S.

The statutory authority for the Retail Marijuana Rules is found at subsections 12-43.4-104(1)(a)(I), 12-43.4-202(2)(b), 12-43.4-202(2)(e), 12-43.4-202(3)(a)(II), 12-43.4-202(3)(a)(XIV.5), 12-43.4-202(3)(b)(VIII), 12-43.4-202(3)(b)(IX); 12-43.4-304(1), and 12-43.4-310(2)(a), C.R.S., and sections 12-43.3-1101, 12-43.3-1102, 12-43.4-104, 12-43.4-305, 12-43.3-501, and 12-43.3-502, C.R.S.; and Colorado Constitution Article XVIII, Subsection 16(5)(a)(II).

Purpose

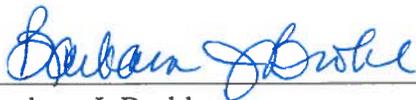
The purpose of the revisions to these rules on an emergency basis is to update the fee levels in accordance with statutory requirements and the needs of the Marijuana Enforcement Division. Section 12-43.3-501, C.R.S. governs the marijuana cash fund, which includes but is not limited to all funds collected pursuant to both the Medical Code and the Retail Code. The State Licensing Authority is required to adjust such fees to reflect direct and indirect costs of the State Licensing Authority and to avoid exceeding the statutory limit on uncommitted reserves in administrative agency cash funds. The State Licensing Authority must review the fees at least annually.

The Budget Department of the Department of Revenue performs a yearly fee analysis. The most recent fee analysis could not be completed until the November, 2015 election results. Specifically, Proposition BB had the potential to affect the analysis. Proposition BB, which passed earlier this month, asked Colorado voters to allow the state to retain marijuana tax revenues. Because of the timing of the election, the fee rules could not be updated until now. The State Licensing Authority is committed to effectively regulating the industry and wants to ensure the fees charged to the regulated community are appropriate. Further, the State Licensing Authority wants to ensure that the regulated community has proper notice of the current fee structure, warranting the adoption of these rules on an emergency basis.

The State Licensing Authority is adopting these rules on an emergency basis to assure the public is provided with notice of the fees that the Marijuana Enforcement Division will begin to collect beginning November 30, 2015. Adoption of these emergency rules will clarify the schedule of fees for applicants and licensees.

The State Licensing Authority intends to adopt these rules on a permanent basis in the near future. That process will include the opportunity for substantial stakeholder and public participation.

These emergency rules are effective immediately upon adoption. The prior versions of Rules M 207, M 208, M 209, M 210, 1 CCR 212-1, and R 207, R 208, R 209 and R 210, 1 CCR 212-2, are hereby repealed and replaced by the attached emergency rules. These emergency rules will remain in effect until their expiration.



Barbara J. Brohl
Executive Director
Colorado Department of Revenue
State Licensing Authority



Date